

REINVESTMENT UPDATE

A Publication of The San Diego City/ County Reinvestment Task Force

"Spur private and public financing of affordable housing and economic development activities in those communities experiencing disinvestment"

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Numbers Released for 2005 Reinvestment Volume

The RTF recently released their "2005 Reinvestment Volume in San Diego" report. The report focused on seven CRA categories of lending; home mortgage in low and moderate census tracts, affordable housing development, small business lending, community development lending, consumer loans for low-income borrowers, corporate giving for housing and economic development, and investments.

The report used data from the FDIC as well as CRA data from the lenders. This data showed an over all increase in CRA lending of \$675 million between 2004 and 2005.

Lending Institution	CRA Amount (millions)	2005 Percent of Deposits	Percent of Deposits Difference 2004-2005
Bank Of America	\$616.54	7.7%	2.32%
Wells Fargo Bank	\$599.72	7.9%	1.46%
Washington Mutual	\$911.80	12.6%	1.08%
Union Bank of California	\$372.20	8.0%	3.48%
CA Bank and Trust	\$201.81	7.8%	-2.79%
San Diego National	\$242.06	11.8%	.35%
US Bank	\$164.15	9.7%	1.03%
Citibank West	\$479.26	48.6%	-13.79%
Comerica	\$103.85	17.1%	-.22%
Total/ Average:	\$3,964.12	10.4%	1.21%

The primary measurement used by the RTF was the percent of the banks total deposits that is used for CRA. In San Diego they are; Citibank West (48.65%), Comerica Bank (17.18%), WAMU (12.58%). The lowest

percent was accomplished by Bank of America (7.7%) (See above).

The report will be presented to City and County officials in the upcoming month.



Smart Women 2007

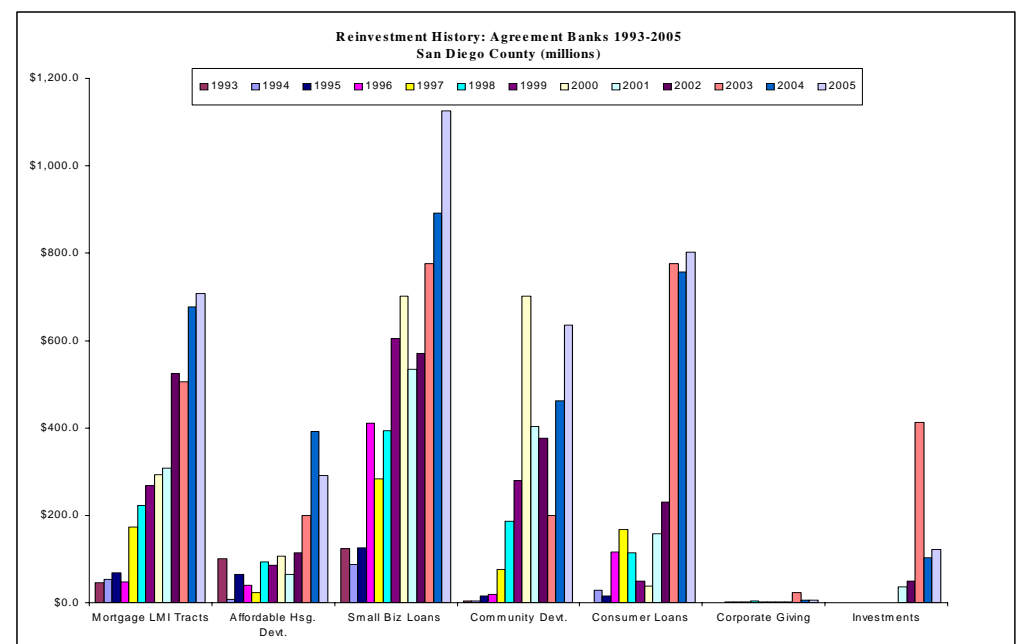
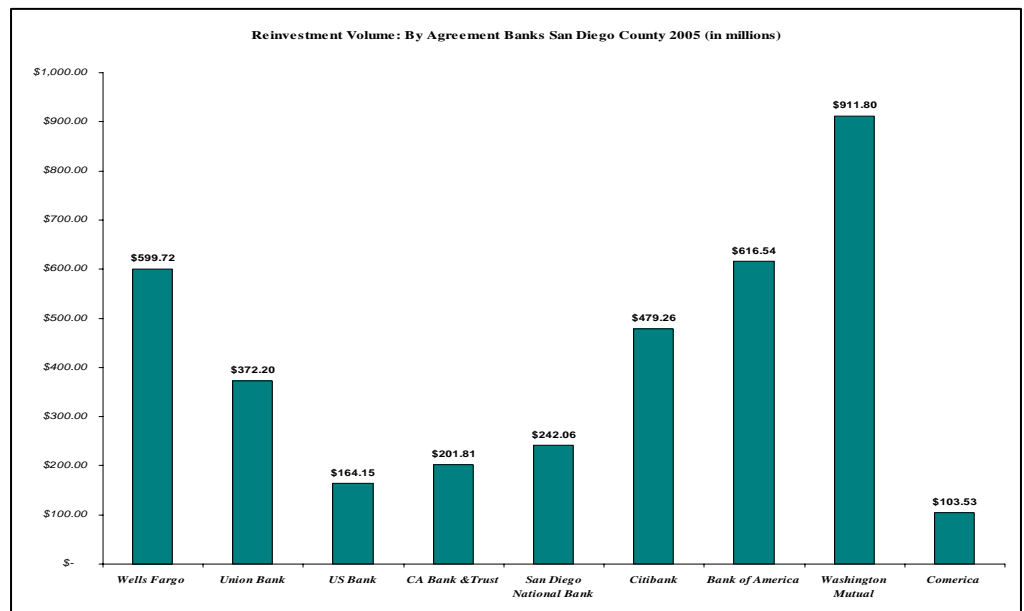
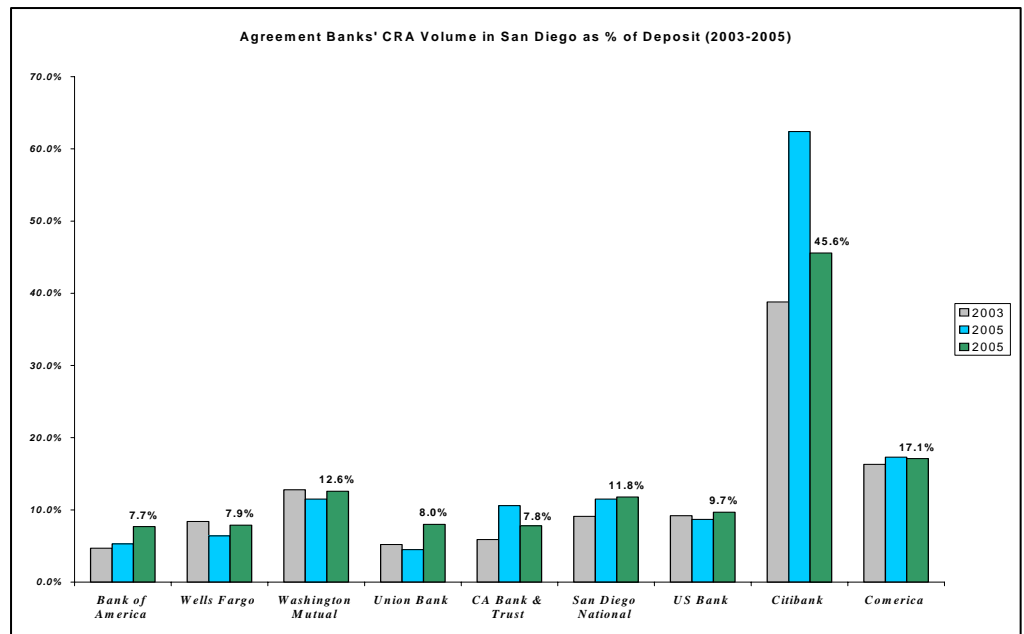
The kick off to the Smart Money Smart Women speakers' series was a success. The first of three events was held at La Piñata restaurant in Old Town. Approximately fifty women showed up to hear Elizabeth M. Ruch, from the Association of Financial Planners, speak about "basic budgeting."

There will be two additional speakers series on March 7th and an additional one on March 22nd. The March 22nd event will be held at the San Diego Museum of Art and will include a tour of Anne Leibovitz's exhibit. Further information on these events is available at:

www.smartmoneyvsummit.com

Highlights from 2005 Countywide Reinvestment Summary

- Participating lenders directed over \$3.9 billion dollars into low and moderate-income communities in 2005 under CRA regulations.
- Participating lenders increased their overall CRA lending and investing by more than \$400M dollars over 2004.
- The largest increase for CRA lending came from Union Bank with a 66% increase over 2004.
- The largest total amount loaned for CRA was Washington Mutual (\$911.80M) with its large portfolio of home loans in low-moderate income census tracts.
- While large increases in home loans to low income communities has occurred over the last twelve years (from about \$30M in 1993 to about \$670M in 2005) the largest increase has come from small business loans, both government guaranteed and conventional (\$100M in 1993 to \$1.175B in 2005).
- Bank of America made the most grants for community development (\$1.06M) with Wells Fargo second with \$990,000.
- New bank branches were opened in low- mod census tracts one by Citibank and one by CA Bank and Trust.
- Although Citibank showed the highest percent of lending for CRA it also had the largest reduction over the previous year.



RTF Asks For Mitigation on Countrywide

Countrywide Mortgage, the nation’s largest provider of adjustable rate mortgages, has applied for a regulatory shift from the Office of the Comptroller to the Office of Thrift Supervision. The Center for Responsible Lending projects that 1 of every 5 ARM mortgage will go into foreclosure in the near term. The study projected a 21.4%

foreclosure rate in San Diego. A concern of the RTF is whether these foreclosures are spatially distributed in neighborhoods that already suffer from economic disinvestments. The RTF, an advocate against predatory lending, had asked the Office of Thrift Supervision to 1.) examine the lending practices and risk of foreclosures by this lender in

the San Diego region for possible mitigations; 2.) consider the need for deposit reserves of this lender in light of the possible high foreclosure rates in the near future; and 3.) ask that the applicant identify specific programs for the mitigation of ARMs designed for implementation in partnership with local agencies.

Capital Collaborative Update

At a recent RTF meeting Barry Schultz, CEO of San Diego Capital Collaborative (SDCC), presented a progress report. The equity capital fund was charted by the RTF to oversee the implementation of social goals of the “Smart Growth Fund.” Schultz’s presentation included an investment progress summary and a list of project areas and challenges the fund faces.

The SDCC has seven investments, 1 still under contract, with a total of \$33.7 million committed to date. The standard criteria for the investments included for-sale or rental housing, community supporting commercial, and affordability within 80-200% of the area’s median income. The project areas included seven different communities; National City, Chula Vista, El Cajon, Carlsbad, San Diego College Area, San Diego Southeastern, and San Diego Mid City.

Five of the seven communities are located within LMI tracts. Schultz announced some of the challenges the equity capital fund faces, including 1) lack of properly entitled land in LMI Neighborhood, 2) the lack of an established market within the LMI Neighborhoods, and, 3) the slowing residential market. After presenting these challenges Schultz listed goals to help implement social programs, identify development opportunities, and capitalize a development opportunity fund. These goals helped the SDCC

develop a new mission statement for their targeted areas, which is to “increase the social and economic viability of San Diego’s urban neighborhoods by establishing a new industry standard for socially responsible investment of private capital in low and moderate income communities” Schultz stated that one of the major concerns of SDCC is increasing the affordability of housing by increasing the pool of developable land within older communities and escalating the development process.

Project	Location	Units	LMI / Redevelopment	Type
Revolution	National City		LMI	Condos/ Retail
Eastlake Village	Chula Vista	10		Office Condos
Granite Hills	El Cajon	57	LMI	Single Family Residences
Eastlake California Collection	Chula Vista	46		Office Condos
Bressi Ocean Collection	Carlsbad	43		Office Condos
6050 El Cajon	San Diego College Area	65	Redevelopment	Condos/ Retail
Lincoln Park Paseo	San Diego Southeastern	35	LMI & Redevelopment	Townhomes
Lafayette Residences	San Diego Mid City	137	LMI & Redevelopment	Condos

SDCC Investment Commitment Chart, which was presented at the February RTF Board Meeting.

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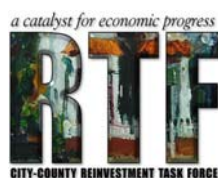


Smart Money 2

The workshops for the Smart Money 2007 event are being formed with some highly qualified presenters and useful topics.

Three homeownership workshops will be presented by MAAC Project (Irma Timmons), Community Housing Works (Gabe Del Rio) and SD Home Loan Counseling (MaryOtero). These three organizations lead local non-profits in providing high quality information and strategies for qualifying for home purchase. Sign up to be on a waiting list for purchase of new affordable homes in San Diego.

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San Diego, CA 92101

SAVE THE DATE!

For more information call
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www.smartmoneysummit.com

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